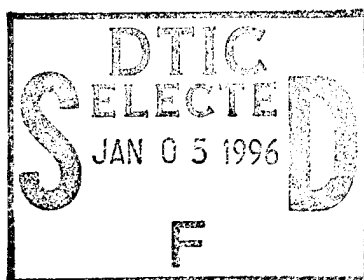


AFIT/GIR/LAL/95D-8



MILITARY ASSISTANCE POLICIES DURING
THE EISENHOWER ADMINISTRATION

THESIS

Robert J. Schutt, Captain, USAF

AFIT/GIR/LAL/95D-8

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MILITARY ASSISTANCE POLICIES DURING
THE EISENHOWER ADMINISTRATION

THESIS

Presented to the Faculty of the School of Logistics and
Acquisition Management
Air Education and Training Command
In Partial Fulfillment of the
Requirements for the Degree of
Master of Science in Information Resource Management

Robert J. Schutt, B.A., M.S.

Captain, USAF

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Approved for public release; distribution unlimited

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Robert J. Schutt

Table of Contents

	Page
Acknowledgments.....	ii
List of Figures.....	v
List of Tables.....	vi
Abstract.....	vii
I. Introduction.....	1
Background.....	1
Research Objectives.....	5
Research Questions.....	5
II. Literature Review.....	7
What is the Military Assistance Program(MAP)?....	7
Early Involvement in Military Assistance, 1940-1951.....	8
Policy Shifts in MAP.....	10
United States Regional Policies for Military Assistance.....	12
III. Methodology.....	15
Overview.....	15
Data Collection.....	16
IV. Analysis.....	19
Involvement in Military Assistance, 1952-1954...19	
Involvement in Military Assistance, 1954-1957...24	
Involvement in Military Assistance, 1957-1961...35	
V. Conclusions.....	46
Overview.....	46
Findings.....	47
1. What world events affected United States foreign policy changes during the 1950s?.....	47
2. How did the creation of the Eisenhower Doctrine affect the United States Military Assistance Program?.....	51

	Page
3. What were the results of the opposition to the Military Assistance Program?.....	52
4. What created the transition from military assistance grants to the sale of military items?.....	54
Summary.....	56
Bibliography.....	57
Vita.....	60

List of Figures

Figure	Page
1. U.S. Military Assistance by Region.....	11
2. U.S. Economic and Military Aid Shipments, 1948-1954.....	23
3. Geographic Breakdown of Mutual Security Program, FY 1953,1954.....	31
4. Annual Trends of Appropriations for Mutual Security.....	39

List of Tables

Table	Page
1. U.S. Non-Military Obligations for Mutual Security Program Countries.....	27
2. Military Assistance Program by Region.....	30
3. Comparison of Amount of Military and Economic Aid Provided.....	40
4. Comparison of Military Sales to Military Grants.....	44
5. Military Assistance for the Mutual Security Act Period, 1953-1961.....	53

Abstract

When World War II ended, the U.S. was left as one of the remaining superpowers. Although the Soviets were also very strong militarily, the U.S. found itself as the one nation with the most stable political and economic conditions, as well as being one of the two remaining military superpowers. With the U.S. home soil untouched by war, the economic and manufacturing infrastructures of the U.S. were stronger than ever. This situation set the stage for the start of U.S. assistance programs. In the late 1940s and throughout the Eisenhower Administration, world events shaped the U.S. military aid policies for years to come. The military aid programs during the Eisenhower Administration would see a policy shift from economic aid to mainly military aid and then a reversal of this trend towards the final years of President Eisenhower's second term. The political and economic changes occurring during the 1950s caused the U.S. government to reevaluate, refocus, and reorganize its management of the military assistance programs beginning in the late 1950s. The programs were reorganized around the findings made by the Draper Committee assembled by President Eisenhower. These revamped military

aid programs became the cornerstone for military aid programs in the decades to follow and continued to be affected by the constantly changing U.S. foreign policies.

MILITARY ASSISTANCE POLICIES DURING THE EISENHOWER ADMINISTRATION

I. Introduction

Background

The conclusion of World War II left the United States as the only major power in the world whose home soil was not ravaged by war. The economic and manufacturing infrastructures of the US were now stronger than ever. As a result the United States found itself in the position of the only country powerful enough to stop the spread of the Soviet Union's communist expansion.

Following World War II the defense of Europe against the growing communist threat was second in priority only to the defense of the U.S. (Condit, 1988:307). The need to defend Europe from the expansionist plans of the Soviet Union brought about the creation two significant foreign policy programs, the Truman Doctrine and the Marshall Plan.

The Truman Doctrine, created in 1947, was the backbone of the U.S. policy to support free nations and enable them to fight off the Communist advances. This plan hoped to "contain" the Soviet Union in the areas they already held, with no further territorial gains. This policy of

"containment" became the foundation for several U.S. security assistance programs developed in later years (Graves, 1985:4).

A basic description of security assistance programs is helpful at this point. Over the years security assistance programs have been used to help nations who are friendly towards or allied with the U.S. protect themselves. This support is given to promote U.S. national interests and world security. Also these programs have been used to supplement economic aid when the recipient country is believed to have insufficient means to provide for their own defense (Graves, 1985:2). The disbursement of military assistance has taken several forms during the course of the program. The U.S. used grants in the early years of the program, with sales of equipment and training becoming more predominant in later years. The first section of the Chapter Two literature review describes the various components of the Military Assistance Program used during the 1950s.

Later in 1947, Secretary of State George C. Marshall, outlined an economic assistance program, which became known as the Economic Cooperation Act. The program was in direct conflict with the U.S. historical position on direct economic assistance. Traditionally the U.S. had not been in

favor of supplying economic assistance to foreign governments, but the unstable conditions present in Europe presented a clear threat to the U.S. (Graves, 1985:4).

The Truman Doctrine, directed at providing military aid to Greece and Turkey, was initially not well received by Congress and took over two months to be enacted. Members of Congress expressed several reasons for not supporting the Truman Doctrine. These reasons included that the cost of the program was too great, the programs appeared anti-Soviet in nature, and opponents felt reactionary governments were being supported by the policy (Hovey, 1965:5). The Marshall Plan was however overwhelmingly supported by Congress. The U.S. involvement in future military and economic assistance had been established with the passage of these two programs.

The next step in the developing military assistance policies was the passage of the Mutual Defense Assistance Act of 1949. This act was key because it set up the foundation of future military aid programs. This act stayed in existence until 1951 when the first Mutual Security Act was passed. In the Mutual Defense Assistance Act the primary authority and control of the program was given to the Department of State. The Economic Cooperation Agency was tasked with being an advisory agency to the Department

of State on matters concerning the proper balance of military and economic aid sent to countries.

The final piece of legislation enacted prior to the Eisenhower era was the Mutual Security Act of 1951 which combined economic assistance and military assistance into one piece of legislation. This Act ended the Economic Cooperation Agency and gave the primary responsibility and authority of the security assistance program to the Secretary of Defense, who coordinated his actions with the director of the newly formed Mutual Security Agency(MSA). The MSA director, now a member of the National Security Council, reported directly to the president. The control of the economic assistance program was also passed to the newly formed MSA (Condit, 1988:405). This new Act satisfied many members of the Senate, who were unhappy with the previous organizational arrangement, by creating a centralized controlling agency for mutual security programs.

The stage was now set for the Eisenhower administration to expand the already growing military aid programs. The eight years of the Eisenhower administration, mainly the last several years, would see a growing opposition to continuing the military assistance programs. President Eisenhower and his staff would expend a large amount of effort to keep the program alive.

Later concerns over the administration of the assistance programs would lead to further reorganization following the findings of the Draper Committee. This committee was created by President Eisenhower in late 1958 to study the need for continuing MAP and to study the current organizational structure of the program. The committee included a group of non-partisan business men and was headed by retired General William H. Draper, Jr.

Research Objectives

This research will focus on the Eisenhower administration of the 1950s. The primary goal of this research is to identify the foreign policy objectives of this administration and analyze the effects these policies had on the development and use of the Military Assistance Program.

Research Questions

1. What world events affected United States foreign policy changes during the 1950s?
2. How did the creation of the Eisenhower Doctrine affect the United States Military Assistance Program?
3. What were the results of the opposition to the Military Assistance Program?

4. What created the transition from military assistance grants to the sale of military items?

II. Literature Review

What is the Military Assistance Program (MAP)?

The U.S. aid programs of the late 1940s and 1950s encompassed five broad categories. The aid programs included military assistance, defense support assistance, development assistance, technical cooperation, and the President's contingency fund. The contingency fund allowed the President to have access to funds in the event of a crisis.

Military assistance was used to provide military equipment and training and the construction of joint military facilities in NATO countries. The defense support portion of the aid program provided supplemental economic resources to help those countries receiving military aid to maintain a beneficial rate of economic growth. The developmental aid went to those countries where the U.S. felt support was needed to promote economic growth to maintain economic and political stability. Technical aid encompassed teaching, training and the exchange of information. Equipment provided under this portion of the plan did not exceed an amount which was larger than the amount of equipment needed for training and demonstrations (McClellan, 1957:58).

MAP was a diverse U.S. foreign policy plan which provided various types of aid to countries which are key to U.S. national security. Former U.S. Army General Robert J. Wood provides a five part definition to explain the program.

1. It is a program which provides military equipment and weapons and training to those allied and friendly nations which share the U.S. view as to the threat of international communism.
2. It is a program which funds purchases from American industry for shipment overseas to the military forces of those countries which have the will and the manpower but not the means to defend themselves.
3. It is a program which brings to our country foreign military students on an annual basis, exposing such students not only to American military knowledge but also to the American way of life.
4. It is an arm of United States foreign policy. It is an extension of United States defense posture and at bargain basement rates.
5. It is predominantly in our own national self-interest. (Hovey, 1965: vi)

While MAP is actually more sophisticated, this definition provides a basic starting point for understanding the goals and objectives of this portion of the U.S. foreign policy.

Early Involvement in Military Assistance, 1940-1951

Following WWI the U.S. was determined to return to its isolationist policies. The events in Europe, specifically the build up of Nazi Germany, were the first of many incidents which would push the U.S. towards providing military aid to its allies. One of the first U.S. acts was

to provide navy destroyers to Britain in exchange for military bases in 1940. Within a year, President Roosevelt was pushing Congress to pass the Lend-Lease bill which would provide military aid to Britain. A great deal of political and public debate ensued over the legislation. With the entry of the U.S. into WWII, debate came to an end and Lend-Lease was increased. Eventually over \$50 billion in material was distributed to allied countries (Holcombe and Berg, 1957:3).

Soon after Germany had been defeated in Europe and WWII had ended, it became evident that the U.S. now faced a new ideological adversary, the Soviet Union. President Truman's new policy of "containment" would meet its first challenge in Greece and Turkey during 1947. The Soviet Union's political actions in these two countries were adding to already unstable situations facing both the Greek and Turkish governments. To this point Britain had been the main economic and military supporter of these two nations. In 1947 it became evident that Britain could no longer support this area alone, and the U.S. was faced with the reality that unless aid were provided to this region we would allow the Soviets to become the dominant force in the Middle East and Eastern Mediterranean (Holcombe and Berg, 1957:3).

The success of MAP has long been a item of debate. The data following the initial years of MAP help to support the fact the program did an exceptional job of slowing Soviet expansion. From 1944 through 1949, the Soviets expanded their control to over 700 million people and over 5 million square miles compared to 12 million people and approximately one half million square miles after MAP began in 1950 (Holcombe and Berg, 1957:12-13).

Policy Shifts in MAP

From the early beginnings of the various military assistance programs in the late 1940s through the end of the Eisenhower Administration, there were distinct shifts in the direction aid was flowing. As discussed earlier, the initial goal was to help support the government of Greece against the Communist insurgency spreading through their territory and the direct pressure being applied on Turkey by the Soviet Union. Following the Soviets' expansion through eastern Europe the main focus of the U.S. aid policy was to support the nations of NATO and other anti-Communist countries in Europe. Military assistance was a necessary element of the NATO alliance. The goal of military assistance was to give credibility to the NATO alliance and to add military capability where it was lacking in

Europe(Graves, 1985:7). The U.S. focus remained in this direction until the end of the Korean War.

Beginning with the Mutual Security Act of 1956 the focus of the U.S. began to turn towards the Far East and Southeast Asia (Furniss, 1957:3). In early 1957 and the next several years the U.S. also began to direct its attention to the Middle Eastern countries which were pro-West. Following the crisis with the Suez Canal, President Eisenhower received, by a joint resolution from Congress, the authority to provide military assistance to the Middle

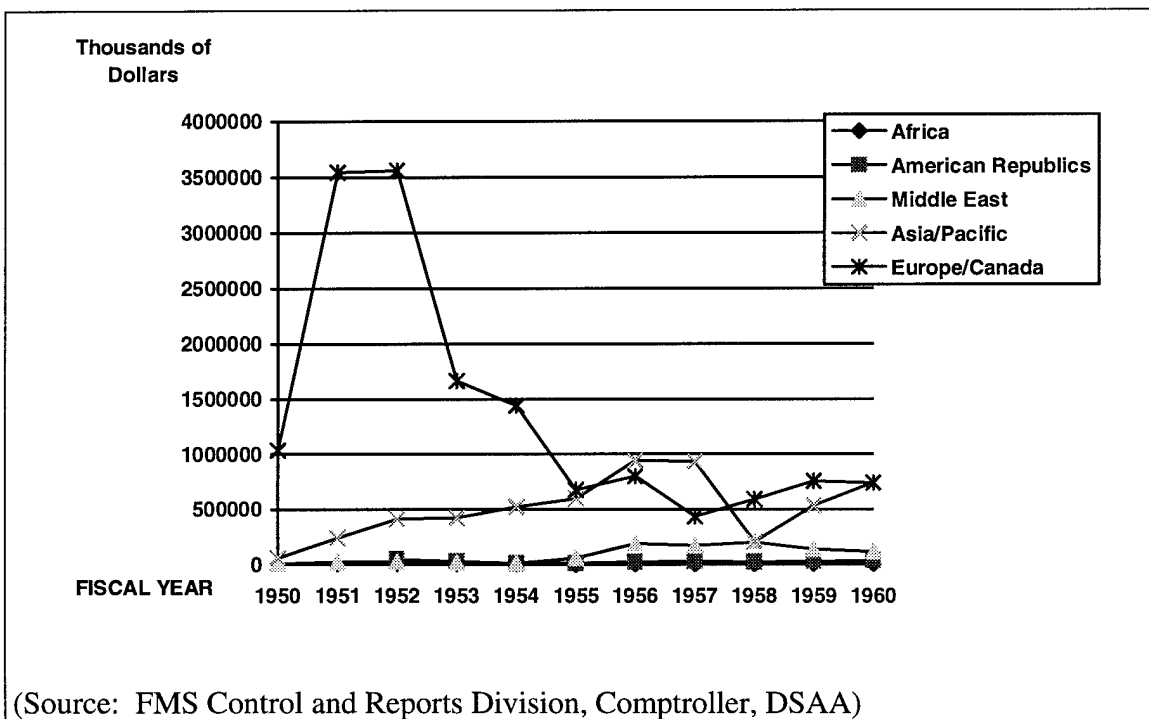


FIGURE 1 U.S. Military Assistance By Region

East to stop the expansion efforts of the Soviets. This event became the foundation for the Eisenhower Doctrine and

gave new direction to the U.S. aid policy (Graves and Hildreth, 1985:12).

United States Regional Policies for Military Assistance

The direction of U.S. military aid primarily went to one of five regions during the 1950s. Europe was the main recipient of U.S. military aid. The other four regions receiving military assistance were the Near East or Middle East, America Republics(Latin America), Africa, and Southeast Asia. Figure 1 illustrates the amount of aid received by these four regions during the Eisenhower years. Asia was the largest recipient of this group to receive aid mainly due to the conflicts occurring in Korea, Vietnam, and the threat of Communist China's aggression towards Taiwan. The increase to the Near East in the late 1950s will be discussed in a later section.

Near East

One aspect of the U.S. foreign policy in the Near East which has remained constant has been the attempt to maintain a balance of power in the region. When the U.S.S.R. began to sell large amounts of military equipment to Egypt in 1955 the U.S. was pushed to provide military assistance to pro-West and some of the politically moderate Arab nations in this region (Thayer, 1969:236). The U.S.'s use of the

military assistance program not only helped to maintain the balance of power with the Soviets in the region, but also help to ensured the protection of the vital oil reserves needed by the West. The mid-1950s saw the decline of the British influence in this region. As the British withdrew, the Eisenhower Administration recognized the importance of maintaining strong relations with the pro-West nations (Ferrari, 1987:103). As a result there was an increase in the military assistance provide to select countries of the region including Iran, Iraq, and Jordan.

American Republics

With the passage of the 1951 Mutual Security Act, Congress authorized military assistance funds for the American Republic countries. The main concern the U.S. had with this region was the external threat of Communist expansion. The U.S. did not want the Soviets building any footholds so close to home. Countries receiving military assistance during the Eisenhower Administration included Chile, Colombia, Cuba, Ecuador, Peru, Honduras, Haiti, and Brazil among others. The focus of military aid to this region centered on providing coastal defenses to enhance the ability of these nations to ward off any type of invasion from the sea. During the late 1950s the U.S. aid was

directed at enhancing the anti-submarine warfare capabilities of these nations (Ferrari, 1987:163).

Africa

In the early years of the military assistance program Africa was viewed with little strategic importance in terms of U.S. foreign policy. As seen in Figure 1, almost no military assistance was directed to Africa in comparison to the other regions. The bulk of U.S. military aid in Africa was directed at Ethiopia during the 1950s, with few select countries receiving minimal aid (Ferrari, 1987:145). One reason for the lack of aid was few African nations had yet to receive their independence. As more became independent states, more aid was directed to those countries.

Asia/Pacific

The U.S. goal was to stop what was perceived as a widespread expansion of Communism in this region by both the Soviets and the Chinese. Asia had become of economic importance to the U.S. and in some cases during the 1950s it took more than just financial military assistance to protect the region. U.S. troops fought and were stationed in Korea and were stationed in Taiwan to protect them both from possible outside attack.

III. Methodology

Overview

The goal of this thesis is to outline the historical events immediately following World War II and through the Eisenhower Administration which were responsible for developing the United States' foreign policy, specifically military aid grants and sales of military equipment. Historical research is quite different from the mainstream statistical research. The goal of a historical research methodology has a primary function of trying to resolve the unanswered questions of history, solve the problems of the past, or to discover what may be significant for the present from the facts of the past (Leedy, 1981:128). In order to answer the questions of the past the research must be conducted in such a manner so an integrated narrative about some part of the past can be written based on a critical analysis and synthesis of sources (Lang, 1984:64). To accomplish this analysis and synthesis, a review of historical documents was conducted to gather the information needed to answer the investigative questions stated in chapter one in an attempt to resolve some of the unanswered questions created by President Eisenhower's foreign policy.

Data Collection

This thesis deals with reporting information and analyzing facts which happened 35 to 45 years ago making the research an ex post facto design (Cooper, 1995:115-6). The information collected for the research has come from primary sources such as government documents, along with secondary data sources to include books, speeches, magazine articles. One problem area with the secondary data found in books and articles is the bias which the author may have put into the information. Biases can also develop during the researchers review and extraction of information of the secondary data. It is key that the researcher attempt to analyze the data as it is presented without adding any personal bias.

Ideally primary data sources are the best type of research data. Primary data is a the written record of what a researcher actually observed (Hillway, 1956:134). However, as stated previously this research is studying events from over three decades ago, making the use of primary data partially infeasible. It may be possible to use some primary data such as a copy of an original speech or document if the original document is not available. The researcher must be careful to identify whether the documents being reviewed are the originals or whether they are

transcripts or republications which can contain various errors in the data.

The literature was reviewed to identify any internal criticisms which could affect the usefulness of the material. Internal criticism of a source asks the question of whether these documents are accurate and relevant. The sources are examined to identify any biases the author had which may have caused him to exaggerate, overlook, or distort the information (Isaac, 1982:45). These sources were reviewed to identify trends in United States foreign policy which developed during the time frame covered by this research. Also studied were the events which were occurring throughout the world that created changes in or solidified the United States' foreign policy.

Specifically, information collected came from the Department of State Bulletin, United States Congressional Records, Senate Foreign Relations Committee Reports, various journal articles, and numerous texts. These documents were collected from the following locations: the Montgomery County Public Library, the Air Force Institute of Technology(AFIT) library at Wright-Patterson AFB, the Defense Institute of Security Assistance Management located at Wright-Patterson AFB, and numerous libraries throughout the United States. Literature searches were also conducted

through the Defense Technical Information Center and the AFIT First Search database.

IV. Analysis

Involvement in Military Assistance, 1952-1954

In the early months of President Eisenhower's first term, he and his staff composed and presented to Congress a number of goals and objectives for the mutual security program to be carried out during his administration. These objectives included

1. Longer range planning and programming with open discussion of future requirements, subject to the annual decisions and reviews of Congress.
2. Earlier attainment of strong defense capabilities through more rapid deliveries of critical items and more through training of forces in being.
3. Constant insistence on the importance of economic stability and an expanding gross national product among the free nations as the essential foundation for sound defense.
4. Accelerated planning for the use of new weapons for the defense of the new nations against threatening totalitarian thrusts.
5. Full enlistment of the cooperating defensive strength of all the nations who oppose the Soviet communist power.
6. Expanded use of the production capacity of Europe through a combination of United States and multinational orders which will permit efficient mass production of NATO arms and the consequent establishment of a better production base in Europe.
7. Steady development of the natural resources and the people's capabilities in the less advanced areas of the free nations.
8. Gradual expansion of fair and profitable trade between the free countries.
9. Broader cooperation with voluntary organizations engaged in similar activities with emphasis on the "people-to-people" relationship.
10. Increased reliance upon private capital for all phases of economic accomplishment.
11. Alertness and willingness to adjust to any new conditions. (Senate Hearings, 1953)

These objectives led to the establishment of several programs such as the Off Shore Procurement program. In the early 1950s the U.S. realized that the plan to build up its allies' military strength was not going to proceed as quickly as hoped. For this reason, the Offshore Procurement Program was developed. Offshore Procurement is the placement of contracts in Europe with Mutual Security Program dollars, to be delivered to the authorized recipients of the Mutual Defense Assistance Program. Once a needed military item was identified, the U.S. selected which country could best produce the item. The U.S. procurement services are then authorized to place contracts for the needed items (Senate Hearings, 1953:319). This program provided financial aid to those countries which had the potential to produce their own supplies, but whose governments were unable to provide the necessary economic support. This program was beneficial because it helped to reduce the strain placed on the U.S. to provide all the military assistance need by allied countries (Holcombe and Berg, 1957:10). The Offshore Procurement Program also had the promise of providing faster material deliveries, strengthening the production base of NATO, and solving some of the economic and financial problems of Europe. Some proponents of the program also saw it as a way to eventually decrease the need for future U.S. military

assistance (Condit, 1988:444-445). As economic recovery of Europe began, the Off Shore Procurement program began to decline following the Korean War. The amount of contracts decreased significantly from the 1953 total of \$1.6 billion, to \$440 million in 1954, \$160 million in 1955, and \$110 million in 1956 (Senate Hearings, 1956:636).

One of the goals of the Eisenhower Administration during the Congressional review of the Mutual Security Act of 1953 was to gain the authority from Congress to extend limited military aid to several nations in the Middle East such as Israel and its pro-West Arab neighbors. The Administration felt the use of military aid would help to strengthen the internal security of these nations. In the Administration's opinion, the result of the bolstered internal security of these nations would promote peace between Israel and the neighboring countries.

Around the time of the Korean War the U.S. began to realize the importance of not only the Middle East, but Southeast Asia as well. Although the amount of aid going to these two regions was not substantial in comparison to European aid, these initial ties became the foundation for the increase in aid during the late 1950s. In the Middle East the U.S. was providing mainly technical assistance projects with a limited economic aid program. Other

countries such as India and Pakistan were also mainly receiving technical assistance during this time. The initial technical assistance would in time be supplemented with greater amounts of military aid.

Two factors led to the growth of U.S. military aid to Asia and the Pacific countries during this time period. First was the U.S. involvement in the Korean War and second was the U.S. commitments to Taiwan to help itself defend against the growing Communist threat of mainland China (Ferrari, 1987:19). The military aid provided to the countries in Asia helped to further the U.S. foreign policy goals of a strong presence in the region. Treaties signed by the U.S. and Asian and Pacific countries, such as the Southeast Asia Organization(SEATO) and the Australia, New Zealand, U.S.(ANZUS), along with military aid, developed strong political and military cooperation between the countries.

A very visible change in the assistance programs began to take shape during the last two years of the Truman Administration and the start of the Eisenhower Administration. That shift was in the amount of economic aid versus military aid.

As Figure 2 shows, the use of military aid to allied countries became the predominant type of aid during the early 1950s. At that time officials in the U.S.

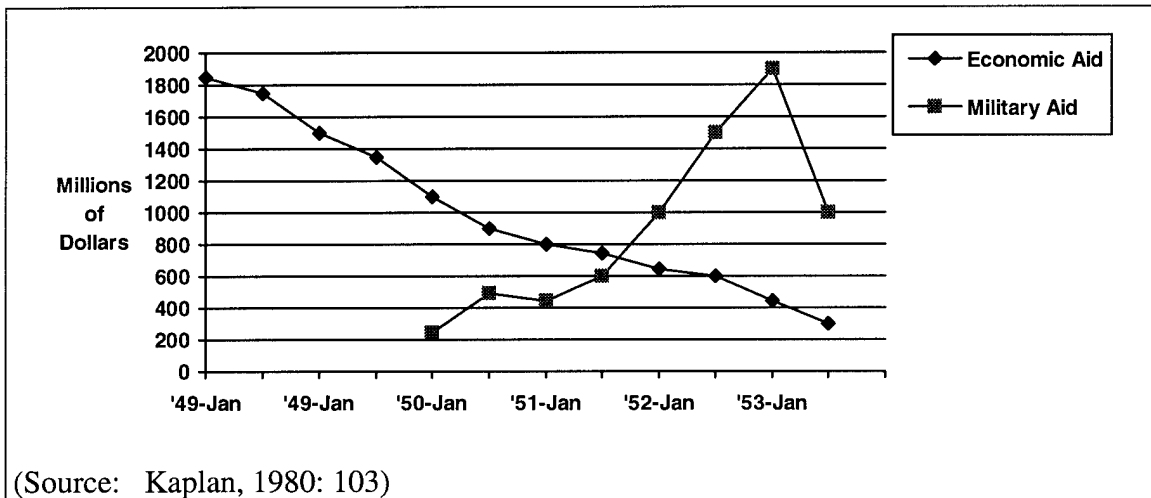


FIGURE 2 U.S. Economic and Military Aid Shipments, 1948-1954

believed that to stop the Soviet expansion they needed to bolster the strength of allied countries more quickly. Many of the allied countries in Europe were still recovering from the damaging effects of WWII. The industrial infrastructure of many European countries such as Britain and France were in ruin. Waiting for these two nations and others in Europe to rebuild to a point where they could produce the needed military equipment to ward off any Soviet aggression was not a viable option. The U.S. and its allies needed to show the Soviets that the allies were a strong opponent. Increasing the amount of direct military aid appeared to be the best

solution. There would be a reversal in this trend during the later years of the Eisenhower Administration.

Involvement in Military Assistance, 1954-1957

The goals of the U.S. foreign policy during the middle years of the 1950s were related to Congress by Acting Secretary of State Christian A. Herter as follows:

First, try to establish a stable political world order, a necessary prerequisite to which is a durable peace. Second, encouraging the economic growth of free nations, for both practical and humanitarian reasons. Third, gain ever-widening acceptance of the idea of the freedom and dignity of the human individual.
(Department of State, 1959:486)

Secretary Herter told Congress that the military assistance program was a vital mechanism needed to achieve these foreign policy objectives.

During this period opposition to continuing MAP began to grow. Much of the debate centered on the issue of whether the citizens of the U.S. should continue to pay for the security of the rest of the world. This issue was considered severe enough to cause the then governor of Utah to challenge the constitutionality of using tax dollars for foreign aid. The governor refused to pay part of his income taxes in an attempt to get his case heard by the courts (Controversy, 1956:257). Unfortunately, no further mention of the success or failure of the governor's protest could be

found. One could speculate however the governor's protest fell on deaf ears since the U.S. is today still providing military assistance throughout the world.

In an effort to better manage the Military Assistance Program, Congress began to exert its power in the management of the MAP. During the spring of 1956, Congress did not support a request made by President Eisenhower which would have allowed the MAP to be continued for several years in contrast with the current system requiring MAP appropriations to be renewed each fiscal year (Controversy, 1956:257). Many members of Congress also began to become upset with the increase in the national debt to which MAP contributed. Those supporting the program chose to focus their debate on the issue that MAP allowed allied countries such as South Korea and Pakistan to have larger defense forces in place, made up of their own troops, than the U.S. could provide using American troops for the same amount of money.

Another ongoing debate dealt with the correct proportions of economic aid versus military aid provided to countries. While this debate was never settled, the trend of more military aid over economic aid did not change until the late 1950s. Europe's amount of non-military aid began to significantly decrease now that many of the European

countries had finally become more economically stable following their rebuilding period after WWII. The American Republics however were going in the other direction. A number of these countries were experiencing economic difficulties. As a result of the economic problems in the American Republics the focus of the U.S. assistance programs focused on economic aid. Countries in the Far East were also experiencing problems with economic growth during the mid-1950s. A large amount of economic aid was also directed to this region (See Table 1).

Proponents of less military aid and more economic aid did find support for their positions during the mid-1950s. In 1953 and 1954, members of the President's staff stated Turkey was currently maintaining the desired military force level and continued to show economic growth. The belief was Turkey would not need economic aid any time in the near future. Unfortunately, this optimistic view did not last long. In 1956 the director of the International Cooperation Administration, John Hollister told Congress,

"...the combination of the demands of the defense establishment and the costs of accelerated development have brought about serious economic strain." (U.S. Senate, 1956: 41)

Another case of an underdeveloped country suffering from economic woes while attempting to build its military

strength was Thailand. Between 1950 and 1954 its military budget more than doubled causing a drain on the funds needed to further the economic growth of the country. Unfortunately, these two examples and others which arose did little to redirect the military aid policies of the U.S.

TABLE 1

**U.S. NON-MILITARY OBLIGATIONS FOR
MUTUAL SECURITY PROGRAM COUNTRIES**

(Thousands of Dollars)

FISCAL YEAR	<i>American Republics</i>	<i>Africa</i>	<i>Europe</i>	<i>Near East and S. Asia</i>	<i>Far East</i>
1950	N/A	N/A	3,374.8	248.6	N/A
1951	N/A	N/A	2,209.6	210.8	157.6
1952	18.5	3.8	1,287.1	401.1	152.7
1953	17.7	4.6	1,248.8	358.4	259.7
1954	26.8	16.9	595.0	378.7	1,074.5
1955	41.0	13.8	211.6	462.9	957.5
1956	71.9	12.8	109.1	438.7	765.4
1957	78.9	61.5	137.0	410.6	810.5
1958	79.5	72.9	107.2	349.8	611.1
1959	102.6	115.9	137.0	648.4	699.0

(Source: Supplement to the President's Committee Report)

One development which occurred during the mid-1950s that began to redirect the focus of U.S. aid was the growth of military and economic assistance programs being provided by the Soviets to less developed countries in the areas of Asia and Africa. The increase in Soviet aid began in 1954 and continued to increase over the next several years (Department of State, 1959:486). In the mid-to-late 1950s the Soviets began a new course to entice countries to submit to Communism. The Soviets began to provide low interest loans to underdeveloped countries. During the period of 1954-58 the Soviets provided approximately \$2 billion in loans, of which nearly 80% were loans to help stabilize the economic situations in the recipient countries (Department of State, 1958:383).

One geographical area in which the Soviets concentrated their efforts was the Far East. Communist economic aid was being pumped into countries such as Cambodia, Burma and Indonesia. The Eisenhower administration believed that the Military Assistance Program, both military and economic aid, was critical to this region to maintain the economic and political stability needed to keep the Communist expansion from making territorial gains. The Administration felt the mutual security program in the Far East was of great

importance to the U.S. foreign policy (Department of State, April, 1958:702).

During the 1950s the Military Assistance Program was not solely used to strengthen the military and economic situations in recipient nations. In several cases, Spain and Portugal for example, the U.S. made use of the Military Assistance Program to gain access to key strategic areas in both countries where military bases could be built. These areas included a naval facility at Rota, Spain, used for Polaris submarines and the Portuguese Azores Islands which provided a key stopping point for military aircraft going between the U.S. and Europe (Hovey, 1965:84-84). Although the U.S. was concerned with stopping the expansion of Communism during the 1950s, Spain and Portugal were seen more as excellent strategic locations for U.S. military forces as opposed to becoming the next area of Communist expansion by the Soviets.

The other major policy shift of this period was the direction the military aid was flowing. Table 2 clearly shows the areas which were the new emphasis of the U.S. military aid program. By 1954, Europe was well on the way to economic and military recovery. The Soviets' expansion plans were now being focused in new directions, namely the

Near East, and East Asia and the Pacific. To stop the Soviet expansion and protect U.S. interests such as strategically located bases, military aid programs were now being directed to friendly nations in these two regions.

TABLE 2
MILITARY ASSISTANCE PROGRAM BY REGION

(Thousands of Dollars)

YEAR	AFRICA	AMERICAN REPUBLICS	NEAR EAST / SOUTH ASIA	EAST ASIA / PACIFIC	EUROPE/ CANADA
1950	N/A	N/A	11,690	63,520	1,040,309
1951	N/A	N/A	25,482	241,132	3,543,266
1952	N/A	46,500	28,843	414,234	3,562,461
1953	N/A	34,926	19,135	424,822	1,668,435
1954	5,046	16,669	13,685	522,476	1,445,976
1955	852	13,922	59,756	597,060	676,242
1956	4,643	22,799	189,341	944,756	801,279
1957	10,616	30,179	171,063	933,238	438,800
1958	6,257	22,098	205,997	209,701	592,093
1959	6,640	28,997	136,068	534,648	756,785
1960	3,757	38,656	118,422	742,014	738,119
TOTALS	37,811	254,746	979,482	5,627,601	15,263,765

(Source: FMS Control and Reports Division, Comptroller, DSAA)

Figure 3 illustrates the fact the focus of the Eisenhower Administration's Mutual Security Program began to shift away from the European theater and began to look towards the Far East beginning in the mid 1950s. This shift was due to the fact that the recovery of Europe had become a stable situation, while the recent war in Korea and the growth of the Communist movement in Vietnam and other Far East nations became of growing concern to the U.S.

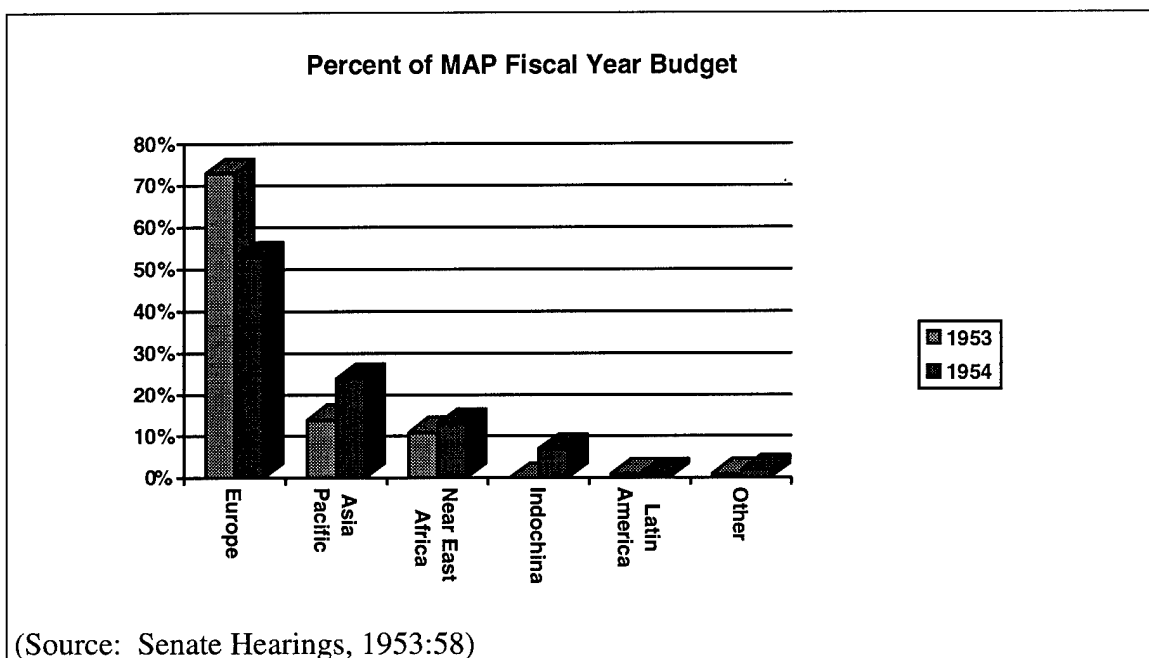


FIGURE 3 Geographic Breakdown of Mutual Security Program, FY1953, FY1954

The U.S. military assistance program also began to be directed in another direction in the mid-1950s. Africa began to draw the attention of the U.S. due to the number of nations which were gaining their independence. These new

and unstable nations were becoming the new targets of the Communist offensive. As a result, the U.S. began to direct military and economic aid to selected African nations around 1954. Several years later more emphasis and aid were directed to Africa. Joseph C. Satterthwaite, the Assistance Secretary of State for African Affairs, testified before the Senate Foreign Relations Committee in 1959 that the emergence of the Communist movement had begun to grow rapidly since 1958. The growth of the Communist movement, along with Soviet attempts to influence the forming governments of the new African nations by offering easy aid and trade agreements, became one reason for the U.S. to increase the amount of aid flowing to this part of the world (U.S. Senate, 1959:425).

The aid directed to Africa, however, was used more to continue U.S. access to key military bases located in Africa than to stop Soviet expansion (Hovey, 1965:104). One of the key installations in Africa was the Kagnev communications center located in northeast Ethiopia. The main objective of the U.S. in Africa was to be able to acquire and maintain the ability to respond to any threats to U.S. interests in the Middle East, northeast Africa, and the Red Sea arenas.

The largest recipient of military aid during the 1950s in Africa was Ethiopia. Ethiopia received military aid

throughout the decade in exchange for U.S. base rights. It was not until late 1956, during which relations with Egypt began to deteriorate, that the U.S. began to reevaluate its military support in Ethiopia (Lefebvre, 1991:76). The last several years of the decade saw the U.S. requesting more base rights in Ethiopia, while the Ethiopian government continued to request an increase in MAP funds in exchange for the bases. Instead of increasing the MAP expenditures in Ethiopia to gain rights to new bases, President Eisenhower and the Department of Defense used the goals of the Eisenhower Doctrine to strengthen the security of the area by directing more aid into more centrally located Middle Eastern countries such as Jordan, Iraq, and Lebanon. The U.S. did however slightly increase the MAP directed towards Ethiopia in 1956 to ensure use of the Kagnew station for another four year period (Lefebvre, 1991:93-4).

The U.S. policy for providing military aid to the Near East was directed at gaining allies and creating a line of defense along the southern border of the Soviet Union. This policy, however, did create new problems while trying to stop the Soviet advance. New tensions were added to the area when the U.S. chose to provide aid to a select group of Near Eastern countries, namely Israel, Iraq, Iran, Jordan, Lebanon. The already unstable situation in this region

became even more volatile, not only because the U.S. aid was flowing to Israel, which was hated by the Arab states, but also because some Arab nations such as Iraq were choosing to side with the West (Furniss, 1957:26).

Also, unstable relations in the Near East, like those between Pakistan and India became intensified as aid began to flow into Pakistan from the U.S. Aid to Pakistan was initially used to gain a strategically located ally in the region. The U.S. needed an ally who would be willing to allow intelligence centers and military installation to be located in the country (Ferrari, 1987:128). With the signing of two key security agreements between Pakistan and the U.S. in 1954 and 1959 military aid began to flow at a greater rate. Concerns of the policy to support certain Near East countries and the consequences of these actions were addressed by Senator Fulbright during Senate hearings while questioning the U.S. Ambassador to Pakistan. The ambassador confirmed during the hearings that the aid supplied to Pakistan was a key factor in the growing tensions of the region, specifically between Pakistan and India (U.S. Senate, 1956:378). While the U.S. was strengthening the security of the region, against the expansionist goals of the Soviets, with the Military Assistance Program, more diplomatic effort was needed to

keep the already uneasy peace between Near East neighbors like India and Pakistan.

As in Africa, the Soviets were also aiming their economic aid to countries of the Near East. Countries such as India, Afghanistan, Egypt, Indonesia, and other developing countries in the region were recipients of the "Soviet economic offensive" (Pach, 1991:165). This economic thrust in Africa and the Near East would cause President Eisenhower and his staff to reevaluate, during the next several years, the amount of military aid versus economic aid being supplied to various regions around the world.

Finally, during late 1954 and early 1955, the use of foreign military sales by the U.S. began to grow. Although foreign military sales would not become the main form of military aid until several decades later, countries such as Canada and some European countries, which were now more financially stable, began to receive less grant aid and were now purchasing the military supplies they needed from the U.S.

Involvement in Military Assistance, 1957-1961

President Eisenhower, during his second term, addressed several key factors which supported the continuation of MAP.

He felt that if funding was decreased there would be the following consequences.

1. A severe dislocation and basic impairment of free world power.
2. Certain crumbling, under Sino-Soviet pressures, of our strategic overseas positions and a forcing of these positions progressively back towards our own shores.
3. A massive increase in defense budget far exceeding MAP appropriations.
4. A heavy increase in number of military inductees.
5. The freedoms of America limited by mounting defense costs, and almost alone in a world dominated by international communism. (Department of State, March, 1958:367)

Late in the Eisenhower Administration the focus of military aid once again had a new direction. The growing problems in the Middle East, including the Suez Crisis, made this region the new "hot spot" for military aid. In July 1956, following a period of problem-filled negotiations between the U.S. and Egypt for loans to build a much needed dam in Egypt, Egyptian President Nasser took control of the Suez Canal. Nasser, who was strengthening his ties with the Soviets, planned to use the revenue collected from the canal as a way for Egypt to pay for the dam itself. The nationalizing of the canal was a significant event because two-thirds of the oil for Western Europe passed through this area. Many of the U.S. allies, including Britain and France, could be crippled if the oil tankers could not pass through the canal (Pach, 1991:128).

In early 1957, following the Suez crisis, President Eisenhower was faced once again with attempting to calm the tensions in the Middle East. To solve the problems in the area Eisenhower sought and received a resolution from Congress allowing him to use military and economic aid and armed forces to stop Communist aggression in the Middle East (Pach, 1991:160). The military assistance portion of the Eisenhower Doctrine was based on three objectives. First, the Doctrine was to keep nations of the Middle East independent of Communist domination. Secondly, it was used to secure strategic positions, resources, and transit rights in the Middle East. Finally, it was to deny resources and strategic positions to the Communist bloc (Lefebvre, 1991:82). With the passage of the congressional resolution, the Eisenhower Doctrine was created and aid now began to flow at a greater rate into many of the Near Eastern countries like Pakistan and Iran which the U.S. felt were vital to national and world security.

The Administration also felt that the military and economic aid provided was key to stabilizing the political and economic situation in countries such as Libya and Morocco where the U.S. had key Strategic Air Command bases which were of great strategic importance (Department of State, March, 1958:370).

During 1958 three events occurred which helped emphasize the need for the continuance of military aid and influenced the decisions of Congress to continue the Mutual Security Act. First was the landing of U.S. Marines in Lebanon at the request of the Lebanese President to help quiet the unrest in the country. The second occurred in the Taiwan Straits when the Red Chinese bombarded the Chinese Nationalist islands of Quemoy and Matsu. President Eisenhower, in an address to Congress, used this situation to promote the continuance of MAP by stating,

...the stand of the republic of China against the Communist attack on Quemoy would not have been possible without the arms and training furnished by our mutual security program and by the high morale promoted by the economic progress we have helped forward on Taiwan.

The third crisis arose when in late 1958 the Soviets threatened to turn over control of its portion of Berlin to the East German government. This would have resulted in the East Germans having complete control over the Western allies' access routes to Berlin. Having the East Germans control the access routes instead of the Soviets was an unacceptable situation in the eyes of NATO. President Eisenhower believed that the military and economic aid to our NATO allies over the years helped to make them stronger in the face of this and other communist threats (House Hearings, 1983:5-6).

A reversal in the trend of military aid versus economic aid came about during this period of the Eisenhower Administration as seen in Figure 4. The reversal of military versus economic aid is not the only significant item revealed in Figure 4. As discussed previously, the late 1950s saw the renewed economic stability in Europe, the

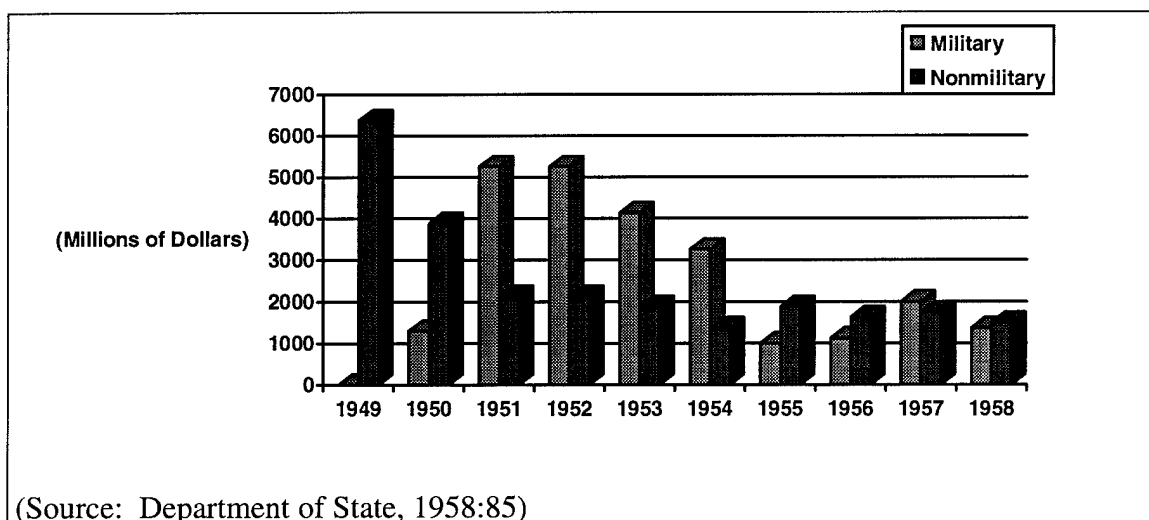


FIGURE 4 Annual Trends of Appropriation for Mutual Security

main recipient of aid during the decade. Europe's economic ability to provide for itself, along with the growing economic concerns in the U.S. resulted in dramatic decreases in the military aid appropriations in the late 1950s. While President Eisenhower was still adamant about the need for military aid throughout the world, the amount of economic aid requested from Congress began to grow. Not only was there an attempt to balance the amount of military and economic aid, there was an actual reversal (Table 3) in which type of aid was predominant in those countries which

were categorized as underdeveloped areas (U.S. Senate, 1959:191).

Criticism of the MAP was present since the start of the program. But during the later portion of the Eisenhower Administration the criticism of how and where the money was going began to grow stronger. From the beginning of the European Recovery Program, started by Secretary of State Marshall, the U.S. had spent approximately \$75 billion in economic aid. Forty percent of this total was used to provide grant aid to foreign countries. Like the grant aid

TABLE 3
COMPARISON OF AMOUNT OF MILITARY AND
ECONOMIC AID PROVIDED

<u>Type of Aid</u>	<u>Fiscal Year</u>		
	<u>1958</u>	<u>1959</u>	<u>1960</u>
Military	50%	42%	35%
Economic	50%	58%	65%

(Source: Mutual Security Act Senate Hearings, 1959)

portion of the early economic program, the grant aid portion of the military assistance program came under the strongest attacks by opponents of MAP since this money is never repaid to the U.S. Opponents in Congress and the civilian sector did not support this "giveaway" portion of MAP (Loeber, 1961:33).

The dissatisfaction with the military aid programs began to become more prevalent with Congress during the later portion of the decade. Congress was becoming more aware of cases of fraud and poor program administration. As a result Congressional opponents of the program began to exert their power and succeeded in scaling back the aid program and shifted the grant military aid to military aid loans(Ferrari, 1987:19).

The criticisms of MAP led to a significant event during this time period. President Eisenhower, in response to the growing concern in Congress, commissioned a number of prominent members of the business and political community to do an independent analysis of the MAP. This group, known as the Draper Committee, issued several reports identifying strengths and weaknesses in the current system, as well as addressing the issue of whether military aid should be continued at all. The findings of the committee supported President Eisenhower's position that military aid should not be ended because, as stated in the report,

Since many of the threatened free world nations are not capable of producing and paying for essential weapons, there is a clear need for military assistance. To eliminate or drastically reduce military aid to a country which is part of the present front line defense would constitute disengagement or withdrawal. This would, as certainly as in war, result in the loss of free world positions. And, since the threat will be with us for a long time, our planning and programming should be grounded on a long-term approach. (Draper, 1959:2)

While the president's feelings on military assistance were supported, the committee did make two recommendations to enhance the management of the program. First,

The strengthening of the position of the State Department on the policy level of military assistance planning and an increased assurance of the conformity of the Military Assistance Program to foreign policy and to related assistance programs.

And secondly,

The focusing of responsibility on the Department of Defense for planning, programming and execution of military assistance within the framework of policy guidance laid down in the National Security Council and by the Department of State. (Draper, 1959:3)

These recommendations helped to quiet some of the adversaries of the MAP. The Draper Committee also identified the fact that over the ten year period of the existence of the Military Assistance Program the scope and purposes of the program had changed significantly. What started as a quickly created series of measures to meet communist aggression in specific area, the program had developed to include assistance to nations which were clearly threatened with aggression of subversion. The program changed from reacting to overt actions to a program of anticipating threatening events and the build up of collective security (Department of State, 1959:47). In the end, Eisenhower would receive the support he needed from Congress to keep

military aid flowing to those countries vital to U.S. interests.

There is one interesting coincidence to note concerning the Draper committee. William H. Draper Jr., the committee chairman, was no stranger to the MAP. In 1952, Draper was named by President Truman to be the U.S. Special Representative in Europe. In this position, Draper was responsible for directing European regional activities of the Mutual Security Agency. His duties included supervising the military and economic assistance programs in Europe. Draper went on to hold other key positions in the Mutual Security Agency during the next several years (Condit, 1988:407). It is not surprising to see there was overwhelming support for MAP and President Eisenhower in the reports from the Draper Committee.

Even though the grant aid program was still going strong, the late years of the Eisenhower Administration began to witness the growth of the military sales (Table 4). Several factors attributed to the fact that military arms sales took so long to develop. The most significant factor was that during the 1950s few countries had developed the economic stability to purchase large quantities of military goods. Europe was rebuilding for most of the early years of

the 1950s, while the majority of the third world nations barely had the capability to support themselves let alone purchase any military aid. Another factor was that the majority of countries were receiving both military and

TABLE 4

**COMPARISON OF MILITARY
SALES TO MILITARY GRANTS**

(Millions of Dollars)

Fiscal Year	Military Sales	Military Grants
1950	2	56
1951	19	980
1952	72	1,481
1953	161	4,159
1954	121	3,296
1955	118	2,396
1956	119	2,920
1957	72	2,078
1958	353	2,325
1959	222	2,050
1960	256	1,697
Total	1,515	23,438

(Source: Hovey, 1965: 184)

economic aid at the same time. In attempting to sell military items to these countries, the U.S. would have had to increase the economic aid being provided to ensure that their economies were not overburdened by the military expenditures. The U.S. also had problems with the pricing policy of the goods intended for sale. Old equipment was being sold for the price of what it would cost to replace it in the current market. This policy caused the U.S. to have

a higher price on equipment than many other suppliers. By the late 1950s many of the countries of the world were more economically stable and the U.S. had revised its pricing policies to make its equipment more competitive in the market (Hovey, 1965:182-183).

V. Conclusions

Overview

The period of the Eisenhower Administration saw a great deal of political unrest throughout the world. A variety of world events created a situation where the U.S. foreign policy concerned with military assistance would change its focus. Throughout the 1950s the attention of the U.S. military assistance programs would focus on those areas where the spread of Communism appeared to be growing either overtly or covertly. Looking at the military aid policies of the U.S. during the late 1940s and the 1950s, one could compare our actions with someone attempting to extinguish a fire. Wherever the flames of Communism flared, the U.S. would direct its Military Assistance Program firehose in an attempt to slow or put out the fire. Although the regions where the military assistance was headed continued to change, the reasons for the assistance were always the same, stop the expansion of Communism and protect those interests vital to U.S. and world security. The late 1940s and the entire Eisenhower Administration are important for further study by individuals who make and carry out U.S. foreign policy which deals with military assistance. This period in our history is the foundation on which many of our current

foreign policy decisions are based and there are many lessons to be learned from this era. Further research of this time period is warranted. Specifically, an in-depth look at the influence of U.S. economic aid used throughout the world would be beneficial.

Findings

Using the data collected in the completed literature review the following investigative questions can be answered.

1. What world events affected United States foreign policy changes during the 1950s?

The world was very dynamic during the 1950s. Emerging new countries, the ideological differences between the U.S. and the U.S.S.R. and Communist China, and political tensions throughout the world would direct and redirect the focus of U.S. foreign policy. The most predominant situation in the world at the time which affected the direction of U.S. MAP was the relative strength of the countries of the world. Starting from the end of WWII and through the Eisenhower Administration the U.S. was the new world leader. The U.S. was now the foundation of the non-Communist world. The ability to stop the spread of Communism and protect the nations of Europe while they were rebuilding rested squarely on the U.S.

The first foreign policy crisis dealt with by the Eisenhower Administration was the U.S. involvement in the Korean War. This conflict along with the ever growing threat of a Chinese attack on Taiwan and the growing crisis in Vietnam made the Far East one of the first regions of the world where the U.S. would direct its military aid programs during the Eisenhower Administration. While Europe continued to receive large amounts of aid, the Korean War led to an emphasis of directing military assistance programs to friendly states in Asia to build up the defensive capabilities of those states (Graves, 1985:9). It was vital for the U.S. to provide aid the pro-West countries of the Far East during the time of the Korean War. If South Korea were to fall, one of the most strategic allies of the U.S., Japan, could very likely become the next target of Communist expansion. The U.S. could not afford to have Japan fall to the Communists due to the numerous strategic military installations located in Japan. A key issue in the use of military assistance to this region was the credibility of the U.S. stated policy to contain Communist expansion. If the U.S. did not act in this region to halt the spread of Communism, the Communists might possibly have been encouraged to further their goals in other regions (Graves, 1985:8).

The Communist threat to Asia and the Pacific countries brought about by the Korean War helped to expand the military assistance programs outside of Europe. During the early 1950s the U.S. became involved in a number of mutual security treaties with countries in Asia and the Pacific, specifically Japan, South Korea, the Philippines, Australia, and New Zealand. These treaties opened the door for military assistance programs for the signatories and gave the U.S. access to key military installations throughout the region.

The growing problems of the French in Vietnam saw the beginning of a U.S. role in this region. While the U.S. did not make direct deployment to this area in the early 1950s, equipment from the U.S. military assistance program was finding its way to Indochina. Much of the military assistance provided to France was in the form of military deliveries totaling almost a billion dollars delivered to the French forces stationed in the region. This assistance was terminated however in 1954 with the fall of Dien Bien Phu (Hovey, 1965:9-10).

During the early years of the 1950s the overt actions taken by the Soviets and Communist China directed the focus of the Administration in a direction of increasing the amount of direct military aid over economic aid. While many

in Congress would continually debate the correct proportions of each type of aid, military aid would be predominant until late in the Administration.

The mid and late 1950s saw the emergence of new nations such as Morocco, Tunisia, Somalia. These newly emerging nations caught the attention of the U.S. and military assistance began to be directed to these areas. On the African continent many new territories were receiving their independence from their political overseers in Europe. These poor and underdeveloped nations, while having little military significance to the U.S., were now becoming easy territorial expansion areas for the Communist movement. The new Communist practice of using significantly more economic aid as opposed to military aid forced the U.S. to adjust their own position. Not only did the Communist movement into Africa redirect the flow of U.S. military aid to the region, the U.S. also began to review once again the importance of military aid versus economic aid. As the data in Figure 4 show there was a significant reduction in military aid with more emphasis on the economic portion of military assistance.

2. How did the creation of the Eisenhower Doctrine affect the United States Military Assistance Program?

As discussed throughout, President Eisenhower and the U.S. Military Assistance Program spent the majority of the decade of the '50s countering the attempted advances of the Communists. The Eisenhower Doctrine did little to actually change this philosophy, but it more narrowly focus the Administration's objectives and opened an opportunity for more Middle Eastern countries to receive aid.

One specific world event brought about the formulation of the Eisenhower Doctrine. Following Egyptian President Nasser's attempt to nationalize the Suez Canal the Eisenhower Administration realized how unstable the environment was in the Middle East. The Suez incident forced President Eisenhower and Congress to reevaluate the earlier policies to direct minimal aid to this area. Egypt's growing ties with the U.S.S.R. and the U.S. dependence on the oil reserves in this portion of the world forced the U.S.'s hand to make a stronger commitment to the area. In 1957 President Eisenhower received authority from Congress to begin to direct larger amounts of military aid to the Middle East in an attempt to stabilize the political and economic situation thus creating the Eisenhower Doctrine. The U.S. MAP aid came at a critical time in the

Middle East. With the withdrawal of the British influence from the region, an imbalance of power was created leaving the U.S.S.R. as the main force of influence.

3. What were the results of the opposition to the Military Assistance Program?

Like most foreign policy programs developed throughout the history of the U.S., the Military Assistance Program has had its critics from its inception. The assistance programs of the 1950s had few critics who moved for a total dismantling of the programs. Most battles over the program centered on the amounts appropriated each year, who should and who should not receive military assistance, which areas of the world were most critical to the security of the U.S. and its allies. The biggest debate of all, year in and year out, concerned the appropriate proportion of military to economic aid.

The public outcries concerning the cost of MAP and the ongoing opposition to MAP from members of Congress caused the Eisenhower Administration to take a serious look at the focus and administration of MAP during the mid and late 1950s. The grant aid provided under the MAP caused the greatest amount of discontent in Congress towards the later portion of the 1950s. Many in Congress were becoming upset with what they felt was "give-away" money. As Table 4 shows

less than one percent of the Military Assistance Program was made up of repayable loans. With the opposition to grant aid and more countries becoming economically stable, Congress was able to begin to convert the grant military aid programs into military aid loans which were repaid to the U.S. treasury. These same two events also made the idea of military sales more appealing.

TABLE 5

**MILITARY ASSISTANCE FOR THE
MUTUAL SECURITY ACT PERIOD, 1953-1961**

(Millions of Dollars)

Region	<i>Military Assistance Grants</i>	<i>Military Assistance Loans</i>	<i>Total Military Assistance</i>
Africa	69.8	1.2	71.0
Latin America	477.7	53.1	530.8
Near East	623.4	47.3	670.7
Asia	7282.6	0	7282.6
Europe	8613.7	27.2	8640.9

(Source: Office of Budget, 1993)

In an attempt to quiet opposition to MAP and to identify problems areas in the programs, the President appointed the Draper Committee to conduct an independent study. The findings of the committee helped to validate the fact that world events still dictated the need for

continuing the Military Assistance Programs well into the foreseeable future. One result of the committee's findings pleased many in Congress by identifying the fact that there was a need for reorganization of the administration of the program. The recommendations, which were later implemented, moved the responsibilities of the planning, programming, and execution of the military assistance programs out of the hands of the State Department and into the control of the Department of Defense.

4. What created the transition from military assistance grants to the sale of military items?

Several internal and external factors created a situation which steered the U.S. on a course of greater amounts of military items being sold to foreign governments over items being supplied by grant aid. First, looking at external factors, during the early to mid-1950s the U.S. had few buyers who could afford to purchase equipment. Europe spent most of the 1950s attempting to recover economically and spent the majority of their funds on rebuilding their infrastructure. The European countries were in no position to purchase new equipment. It was not until the late 1950s and into the early 1960s that the European countries had recovered enough to began purchasing military items. Many Latin American countries as well as the countries of

Southeast Asia and the Pacific were also relying on large amounts of U.S. economic aid throughout the majority of the 1950s. To enable these countries to buy military items, the U.S. would have had to increase the amount of economic aid being provided. In the case of Africa, not only were these countries too poor during the 1950s, most did not begin to gain their independence until the very late years of the Eisenhower Administration. Their military needs were being provided by the countries which were governing them.

Looking at the internal factors which affected the reversal of the trend of grant aid over military sales, two occurrences stand out. First, the end of the 1950s and the start of the 1960s saw the U.S. government becoming increasingly concerned with the burden on the taxpayers that MAP was creating. Congress saw selling military items as one way to reduce this burden and increase the income of the U.S. government. Now that other countries could afford our equipment sales became a very viable option. The other issue addressed was the problems the U.S. had with its equipment pricing. The method of selling old equipment at the price of new items made the U.S. very uncompetitive with the few other countries who were in the arms sales market. It was not until the U.S. revised its pricing procedures

that we could competitively compete with other arms providers in the open market.

Summary

The Eisenhower era is just one of many interesting periods of U.S. history during which military assistance played an important role in the foreign policy decisions of this country's government. The administrations which followed had even more critical decisions to make and more dramatic world events to deal with while making these policy decisions. Any of these later administrations would make interesting research.

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Capt Robert J. Schutt was born on 2 February 1965 in Gary, Indiana. He graduated from Wawasee High School in 1983 and entered undergraduate studies at Indiana University in Bloomington, Indiana. He graduated with a Bachelor of Arts degree in history in August 1987. He received his commission on 25 August 1987 upon completing the Reserve Officer Training Program at Indiana University. His first assignment was at Mather AFB as a student navigator. His second assignment was at Minot AFB as an executive officer, squadron section commander, and the commander of the base information management flight. While at Minot AFB, he earned a Master of Science degree in Administration from Central Michigan University. In May 1994, he entered the School of Logistics and Acquisition Management, Air Force Institute of Technology.

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Master's Thesis

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When World War II ended, the U.S. was left as one of the remaining superpowers. Although the Soviets were also very strong militarily, the U.S. found itself as the one nation with the most stable political and economic conditions, as well as being one of the two remaining military superpowers. With the U.S. home soil untouched by war, the economic and manufacturing infrastructures of the U.S. were stronger than ever. This situation set the stage for the start of U.S. assistance programs. In the late 1940s and throughout the Eisenhower Administration, world events shaped the U.S. military aid policies for years to come. The military aid programs during the Eisenhower Administration would see a policy shift from economic aid to mainly military aid and then a reversal of this trend towards the final years of President Eisenhower's second term. The political and economic changes occurring during the 1950s caused the U.S. government to reevaluate, refocus, and reorganize its management of the military assistance programs beginning in the late 1950s. The programs were reorganized around the findings made by the Draper Committee assembled by President Eisenhower. These revamped military aid programs became the cornerstone for military aid programs in the decades to follow and continued to be affected by the constantly changing U.S. foreign policies.